



Space for Business

Inland company seeks to commercialize rocket vehicles

10:00 PM PDT on Tuesday, July 4, 2006

By DEVONA WELLS
The Press-Enterprise

Among the first companies to settle in a small office at the former Norton Air Force Base, Kelly Space & Technology now covers 20 acres.

Here the company tests rocket and jet engines, designs relaunched space vehicles, and has developed devices to detect explosives.

The company turned a profit for the first time in 2002, nine years after it was founded.

"There is no cheap way of getting to space and back," said Mike Gallo, president and chief operating officer.

Gallo compares the space industry today to the personal computer industry in 1979 -- when the world needed a couple of entrepreneurs to figure out how to bring a pricey and extra-large product into homes.

Q: Why did you choose this industry?

A:

Michael Gallo

Company: Kelly Space & Technology

Title: President and Chief Operating Officer

Education: Graduated from Norwich University

Type of

Industry: Aerospace

Location: 294 S. Leland Norton Way at the former Norton Air Force Base, San Bernardino

Employees: 27

Revenue: \$6.6 million for 2005

Year

founded: 1993



Stan Lim / The Press-Enterprise

Expansion commercial business would help the Defense Department get better prices, says Mike Gallo, of Kelly Space and Technology in San Bernardino.

Sometimes it's just life circumstances that get you there. Every kid my age wanted to be an astronaut. This has been a real plan in my life since I was a kid. That's why I went to a military academy and to the Air Force and TRW. To be an astronaut, you have to get your five doctoral degrees. I was more interested in the technical and the engineering and the business aspects in making a difference in commercializing space.

Q: What inspires you?

A: I think doing things that are worth doing

and figuring out creative ways of solving problems. That's what we really do here.

Q: What has been your biggest challenge?

A: Capitalization. Choosing to be a development company and developing advanced technology you have to figure out how to get money. You're chasing the money for so long. That's probably the toughest challenge of starting any business.

Q: What advice would you give other executives?

A: Have a clear business plan in mind for which business unit you want to develop and get the right people.

Q: How do you retain good employees?

A: We pay well and we have a good benefits package. We only get the best. The real key is the younger folks. There's also the excitement of developing new technology they normally wouldn't get to work on until much later in their career. They get exposure to a wide range of business aspects, which keeps perspective on what their contribution is to the business.

Q: How will your company change in the next five years?

A: I see us merging or I guess expanding to more commercial business than Department of Defense

business. This is where the Department of Defense would like companies to go. If there's a commercial base established, they get the best possible prices.

Q: How does being located in the Inland Empire affect your company?

A: The Inland Empire has been good to us. We've been able to draw on a very, very competent workforce. You might not think there's a lot of rocket scientists here, but there are a lot of retired aerospace executives who still have a lot in them. The next big advantage is the availability of key infrastructure, particularly the former Norton Air Force Base.

Q: What's the most important thing you do every week?

A: Ensuring performance on current contracts and deploying more technology to the commercial marketplace. It's a different thing every day. Then really positioning for next year's revenue. That takes vigilance.